

ND RETIREMENT AND INVESTMENT OFFICE
Combined Balance Sheet
As of 10/31/2004

	As of <u>10-31-04</u>	As of <u>6-30-04</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 1,405,179,556	\$ 1,408,965,677
INTERNATIONAL EQUITIES	624,313,987	619,279,473
DOMESTIC FIXED INCOME	1,461,714,947	1,392,735,177
INTERNATIONAL FIXED INCOME	140,420,611	128,573,435
REAL ESTATE POOL	178,126,131	171,657,037
VENTURE CAPITAL	128,721,712	119,537,408
INVESTED CASH (NOTE 1)	<u>91,234,570</u>	<u>105,239,583</u>
TOTAL INVESTMENTS	4,029,711,514	3,945,987,790
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	17,127,375	17,548,500
CONTRIBUTIONS/ASSESSMENTS REC	5,060,247	6,354,427
MISCELLANEOUS RECEIVABLES	<u>2,125</u>	<u>2,370</u>
TOTAL RECEIVABLES	22,189,747	23,905,297
OTHER ASSETS		
OPERATING CASH (NOTE 2)	7,884,602	8,511,301
DUE FROM OTHER AGENCIES (NOTE 3)	10,884	144,636
FIXED ASSETS (NET) (NOTE 4)	<u>423,388</u>	<u>423,388</u>
TOTAL ASSETS	<u>\$ 4,060,220,135</u>	<u>\$ 3,978,972,412</u>
LIABILITIES:		
ACCOUNTS PAYABLE	2,841,113	2,975,624
ACCRUED EXPENSES	525,847	402,723
CAPITAL LEASES PAYABLE	12,945	12,945
DUE TO OTHER AGENCIES (NOTE 5)	<u>10,883</u>	<u>144,636</u>
TOTAL LIABILITIES	3,390,788	3,535,928
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	3,975,436,484	3,478,716,828
CASH IN DURING YEAR (NOTE 6)	97,532,155	286,853,033
CASH OUT DURING YEAR (NOTE 7)	91,998,378	291,355,037
NET INCREASE (DECREASE)	<u>75,859,086</u>	<u>501,221,660</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>4,056,829,347</u>	<u>3,975,436,484</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u>\$ 4,060,220,135</u>	<u>\$ 3,978,972,412</u>

ND RETIREMENT AND INVESTMENT OFFICE
Combined Profit and Loss Statement
For the Month Ended 10/31/2004

	Month Ended <u>10-31-04</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 7,721,040	\$ 36,765,207
SECURITIES LENDING INCOME	590,414	2,074,144
	<u>8,311,454</u>	<u>38,839,351</u>
GAIN ON SALE OF INVESTMENTS	31,110,153	107,406,094
LOSS ON SALE OF INVESTMENTS	<u>23,945,703</u>	<u>90,099,270</u>
NET GAINS (LOSSES) INVESTMENTS	7,164,450	17,306,824
INVESTMENT EXPENSES	271,870	3,342,197
SECURITIES LENDING EXPENSES	<u>524,819</u>	<u>1,789,260</u>
NET INVESTMENT INCOME	14,679,215	51,014,718
NET APPREC (DEPREC) MARKET VALUE	43,233,738	41,955,009
MISCELLANEOUS INCOME/(EXPENSE)	<u>(739,607)</u>	<u>(914,992)</u>
TOTAL INVESTMENT INCOME	57,173,346	92,054,735
CONTRIBUTIONS & ASSESSMENTS (NOTE 8)	5,553,131	12,782,572
PURCHASED SERVICE CREDIT (NOTE 9)	62,705	1,002,245
PENALTY & INTEREST (NOTE 10)	<u>20</u>	<u>1,148</u>
TOTAL ADDITIONS	<u>62,789,202</u>	<u>105,840,700</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 11)	6,998,771	28,128,009
PARTIAL LUMP SUM BENEFITS PAID	0	141,053
REFUNDS TO MEMBER (NOTE 12)	<u>508,530</u>	<u>1,115,334</u>
TOTAL BENEFITS PAID	7,507,301	29,384,396
ADMINISTRATIVE EXPENSES		
SALARIES AND BENEFITS	74,940	298,626
OPERATING EXPENSES	63,150	298,592
EQUIPMENT	<u>0</u>	<u>0</u>
TOTAL ADMINISTRATIVE EXPENSES	<u>138,090</u>	<u>597,218</u>
TOTAL DEDUCTIONS	<u>7,645,391</u>	<u>29,981,614</u>
NET INCREASE (DECREASE)	<u><u>\$ 55,143,811</u></u>	<u><u>\$ 75,859,086</u></u>

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
October 31, 2004

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Cash invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company or a money market demand account at the Bank of North Dakota.

NOTE 2 OPERATING CASH

Money market and checking accounts at the Bank of North Dakota and RIO's operating account at the State Treasurer's Office.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 FIXED ASSETS

Office furniture and equipment capitalized by RIO, shown net of depreciation. Depreciation is calculated straight-line, over five years.

NOTE 5 DUE TO OTHER AGENCIES

Amounts received from agencies in excess of amounts allocated for RIO administrative expenses.

NOTE 6 CASH IN DURING YEAR

Cash transferred into investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

NOTE 7 CASH OUT DURING YEAR

Cash transferred out of investment accounts at either The Northern Trust Company or the Bank of North Dakota during the current fiscal year.

ND RETIREMENT AND INVESTMENT OFFICE
Notes to Combined Financial Statement
10/31/2004

NOTE 8 CONTRIBUTIONS & ASSESSMENTS

Assessments on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution and assessment of 15.5 percent that must be remitted monthly.

NOTE 9 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

NOTE 10 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions and assessments.

NOTE 11 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 12 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.